

Celsius Case No. 22-10964

July 31, 2024

Dear Honorable Judge Glenn,

I submit this letter requesting that the Honorable Court direct that the plan sponsor and Ionic Digital, Inc. provide to creditors an immediate update on the status of its efforts to register its shares with the SEC. There has been zero transparency on these issues. As the Honorable Court may recall, Ionic was designated as Mining Co. under the Plan. Pursuant to the terms of the Wind Down, Ionic was capitalized with \$225 million in cash on the Effective Date, on January 31, 2024 (exactly 6 months from today). In connection with the Wind Down Motion, creditors were informed that the Form 10 for Ionic had been filed and that there were no contingencies which would prevent the Form 10 from going effective. Despite this, the Form 10 has not gone effective 8 months later.

As represented to the creditors, the plan sponsor, US Bitcoin group (now Hut8 after their merger), was supposed to register the shares of Ionic and take the mining entity public with a listing on the NASDAQ. As of this date, shareholders have received no information about the progress of the company since its launch in February, the status of the Form 10, or the NASDAQ listing for Ionic Digital. The closest thing to an announcement has been a post on X/Twitter on June 20, 2024, from the CEO, Matt Prusak, indicating several more filings are needed before a listing can occur.¹ Given that these issues impact the entire creditor body, I believe that these issues are of greater importance than the issues that were recently discussed at the hearing on July 29, 2024.

A review of EDGAR² reveals that Ionic Digital has filed three Form 10 filings with the SEC:

- 1) The first on emergence filed on January 26, 2024³
- 2) The second filed on April 30, 2024⁴
- 3) The most recent filing on June 13, 2024⁵

These filings along with other public releases/notices by Ionic show a shocking amount of turmoil for a startup. The initial CFO, Joel Block, is no longer with the company. His replacement, Stuart Gleichenhaus, was also subsequently replaced on July 11, 2024, by John Penver.⁶ It is unknown why these replacements took place and there has been no information concerning whether Mr. Penver is still the CFO.

In addition, there has been an alarming amount of turnover at Ionic Digital board of directors. Two independent board members, Max Holmes and Fred Arnold, resigned. The creditors of Celsius (i.e. the shareholders) have been provided no explanation for these resignations. A third independent board member, Jordan Levy, resigned from his position after he was offered a board seat on Core Scientific, a direct competitor to Ionic Digital⁷. Section 8 of the Clayton Act prohibits the same person from serving as

¹ <https://x.com/MattPrusak/status/1803880766004162758>

² <https://www.sec.gov/edgar/browse/?CIK=2007691>

³ https://www.sec.gov/Archives/edgar/data/2007691/000110465924007325/tm243976-1_1012b.htm

⁴ https://www.sec.gov/Archives/edgar/data/2007691/000110465924054931/tm243976-2_1012ba.htm

⁵ https://www.sec.gov/Archives/edgar/data/2007691/000110465924071135/tm243976d5_1012ba.htm

⁶ <https://www.prnewswire.com/news-releases/ionic-digital-announces-appointment-of-john-penver-as-chief-financial-officer-302194223.html>

⁷ <https://corescientific.com/team/jordan-levy/>

a director or officer on the boards of two competing companies at the same time. Given the option to take a board seat with Core Scientific, which emerged from bankruptcy on January 23, 2024, with \$50M capitalization, or Ionic Digital, which emerged from bankruptcy on January 31, 2024, with \$225M capitalization, Mr. Levy decided to resign from Ionic Digital. His decision raises an obvious question – why would somebody rather sit on the board of a company with \$50M over a company with \$225M? It appears that Mr. Levy knows something we do not. Moreover, Asher Genoot of Hut8, the plan sponsor, is currently sitting on the board of Ionic Digital while simultaneously serving as the CEO and board member of Hut8⁸. It is unknown how Mr. Genoot can remain on the board while maintaining a director role at one of Ionic's primary competitors in the bitcoin mining space. All of this begs the question as to who is even running "the company," and what qualifications do they possess to do so?

These are just the facts that I have been able to ascertain via the internet. There are speculations that 1) the auditor, RSM US LLP, has quit; 2) the CEO, Matt Prusak, has either already been fired or is going to be fired; 3) the plan manager, Hut8, has been given a termination notice. If Hut8 were terminated, it is my understanding that there may be a legal dispute on what they are owed for suboptimal (let's be honest, pretty much zero) results achieved thus far.

All of these rumors can be easily dispelled by giving shareholders an update on operations, something we have been promised over and over again. As noted, there has been ZERO communications to shareholders since the Effective Date. Accordingly, I am humbly requesting the Honorable Court require Ionic and the plan sponsor to provide adequate disclosure within 5 business days. If we cannot be provided with answers through this request, our only other remedy would be to use the proxy rules afforded to shareholders.

Thank you for your time and I appreciate any and all assistance you can offer on this matter.

Tony Vejseli

Pro Se

⁸ <https://hut8.com/investors/governance/>